

**BUTTE-SILVER BOW LOCAL GOVERNMENT  
STUDY COMMISSION**

**Minutes of the Public Hearing**

**May 25, 2006**

**Butte-Silver Bow Courthouse, Third Floor Council Chambers**

***Meeting Date:*** May 25, 2006

***Time:*** 5:40 p.m.

***Place:*** Butte-Silver Bow Courthouse, First Floor Conference Room

***Call to Order:*** Chairman Bob Worley brought the meeting to order at 5:45 p.m. and called roll with the following results:

***Members Present:*** Wayne Harper, Meg Sharp, Tony Bonney, Ristene Hall, Dave Palmer, Cindi Shaw, Northey Tretheway, Bob Worley and Shag Miller

***Excused Absences:*** Ron Rowling

***Approval of Minutes:*** Bob Worley entertained a motion for the approval of minutes from May 11<sup>th</sup>. Wayne Harper motioned and Shag Miller seconded for the approval of minutes from May 11<sup>th</sup>. All were in favor and the motion carried. Bob Worley entertained a motion to approve the minutes from May 18<sup>th</sup>. Wayne Harper moved and Cindi Shaw seconded. All were in favor and the motion carried.

***Comments from Ron Rowling:*** Absent.

***Citizen Comments:*** None.

***Items not Addressed on Agenda:*** Cindi Shaw gave an update on the Kiwanis meeting that she and Shag Miller attended on Tuesday. They also attended a Rotary Club meeting that same afternoon. Cindi stated it was very interesting. Kiwanis had around 30 people that attended and the Rotary Club had about 20. Cindi stated they were asked great questions. Cindi commented that the Rotary Club had some good comments.

Bob Worley commented that he went to Kramer's greenhouse in Rocker and as he was coming out from there, he went across the railroad track. Bob stated that he saw an Animal Control truck going up the backside of the road of Silver Bow Creek. Bob continued to comment that he went up to the corner of Park and Main Street and saw this dog that was running loose. There was nobody around to catch the dog.

Cindi Shaw gave an update of the dog encounter that she had. Cindi had a dog attack her and Dave Hinch gave the owner a \$600.00 ticket. Cindi stated that she went through the process. Cindi commented the following week, the owners did not show up or appear for the court date. Cindi asked what would happen next and was told that the owner's of the dog would be given a little more time. They would then be given a warrant.

Shag Miller commented on issues that were brought up at the Kiwanis and Rotary meetings. Shag Miller discussed the three items that the Study Commission is proposing: Animal Control, Community Enrichment and Superfund Coordinator. Shag explained how there would be an advisory board responsible for monitoring and performing the day-to-day operations of Superfund. Shag stated there was one comment made regarding the tenure of department heads and how they are employed for life. Shag had mentioned the conversation held with Don Robinson regarding contracts. Shag stated that most everyone favored elected officials. Shag moved that they put the department heads, as they become available, on contracts and all 18 voted in favor of that. Shag thought they, the Study Commission, should take a further look at that.

Cindi Shaw continued to explain that there were questions asking what would happen with the existing department heads and if they would be grandfathered in.

Shag Miller replied that was a question he was not able to answer. Shag Miller stated that Bob McCarthy originally brought the idea up. Danette's opinion was it would not work because you would not be able to get qualified people to serve under a contract basis.

Shag Miller stated there were six applicants for the Superintendent of Schools. Shag commented there are applicants for those positions and those are good jobs for Butte.

Wayne Harper commented that City Managers are employed under contracts.

Bob Worley commented that he and Shag Miller had a good meeting with SCORE and it was well received.

Bob Worley mentioned how they discussed the Charter last week and he is expecting Bob McCarthy to show up tonight upon returning from a meeting in Helena. Bob Worley stated that he would contact someone at the local government center in Bozeman. He has spoke to Jane Jilenski and Ken Weaver about the Charter. Bob stated that he has sent them copies of the BSB Charter. Ken had come back with some ideas and thought they, the Study Commission, were getting way overboard in burdening the charter with language. Bob Worley gave an example and referenced to Section 4.02. Bob Worley stated that Ken thought they went too far on 4.02 (i).

Bob Worley had suggested that Section 9.03, reinforcement of Council of Commissioners districts, be taken out since it is covered by Section 3.02 (c). It is covered to a certain degree other than the fact that Section 3.02 (c) does not cover reapportionment after U.S. Census. He thought that 6 months might be a little tight as far as the schedule for reapportionment. He thinks at least that much should stay in the charter. Ken thought Subsections (b) and (c) were things they did not need.

Bob Worley stated that he and Ken talked about Animal Services Systems, Superfund Coordinator and Community Enrichment. Bob stated that Ken questioned them as to why they were thinking it should be a separate department and he thought Animal

Services belonged under Law Enforcement. Bob Worley replied to Ken that it is currently a low priority in the Public Works Department as far as it being taken care of. Ken Weaver did not think it belonged in the charter. Bob Worley mentioned the Superfund Coordinator position and the one thing Ken Weaver questioned was if they think they even need a Superfund Coordinator. Ken thought they needed to spell out better who the Advisory Board would answer to and who the Advisory Board should be made of. Ken thought the same think for the Community Enrichment Coordinator. Ken suggested they leave the language “full-time” out of the charter.

Bob Worley had mentioned last week that Ken Weaver is leaving as a state employee and going out on his own doing consulting work. Ken had told Bob if he really has to get involved, he explained it would cost them some money. Bob Worley asked what it would cost. Ken replied that he would attend two meetings and rewrite the language so it is ballot ready for \$500.00. Bob Worley did not think his fee was excessive.

Bob Worley talked with Danette Gleason and Jim Michelotti. The previous Study Commission of 1996 recommended some changes to eliminate some positions. Bob Worley mentioned the letter they, the previous Study Commission, put out to the public on two or three different things in County Offices. One was the transition of language; the others were the positions of the Auditor, Assessor, Public Administrator and Superintendent of Schools. Bob Worley passed the letter around for everyone to review. Bob Worley stated that it kind of explains the position of the Auditor and that it was done fairly well. He thought they could use it as a reference.

Bob Worley read the letter he had received from Danette Gleason about the Auditor’s position. Danette responded as follows: “this is a response to your request on my insight on the position of Auditor of the City and County of BSB. Mr. Bob Worley, Chairman acting on behalf of the Study Commission made this request on Monday, May 22, 2006. I don’t believe I could, at this time, make a recommendation to the Study Commission that the position should be appointed or elected. I would like to comment on the necessity of the position and provide input per the Study Commission’s request. The position of internal Auditor, as with any private or public structure, in my opinion is essential. The function of internal Auditor gives ways for checks and balances within the organization and contributes to the reduction of costs of independent audits. The local government, the audit function of examining books and accounts in the Treasurer, Clerk and Recorder, Sheriff, Clerk of The District Court and other offices within the government allows for the segregation of duties but more importantly limits the city-county’s possibility liabilities and fraudulent activities. The functions of the Auditor to review department compliance of internal controls, state laws, local ordinances are equally important. The review of internal control and implementation of procedures not only reduces the liability as discussed above but also makes for greater efficiency within departments and throughout the government. The compliance function which I feel is becoming increasingly important could be the review of the State of Montana’s imposed charges and fines and local government charges, fees and fines that determine compliance of such laws and ordinances as it relates to a particular office. Collection and allocation of funds as well as the refunding or dismissal of such fees or charges. This

particular function could be an arm to the Judiciary Committee of the Council of Commissioners. There are many other important functions of an internal Auditor, which necessitate this position. It is also important that the reporting of findings and recommendations of follow-up reviews be required to be reported to the Council or another branch of government. If the committee so chooses to forward the recommendations of the position appointed, it would be my suggestion that the appointment be made by the Council of Commissioners and report directly to the Council of Commissioners. The internal Auditor would have independence from all departments within the local government that would be able to perform the audit duties of all offices including the offices of the Chief Executive, Finance and Budget Department without bias judgment or intent of such. Under an appointment, it is my understanding that the committee can make recommendations of a job description including qualifications for the position. If this is the case, I advise the committee to suggest qualifications with government experience with emphasis in Accounting, Finance, and Bachelor's Degree or "experience" in these areas or related fields. I believe government experience is important so there is less time trying to understand governmental accounting and functions with more emphasis placed on performing audits. I hope this may be of some assistance to the Study Commission. Please feel free to contact me with any questions."

Shag Miller replied those were the Auditor's duties as outlined in the statute before they were stripped away. Shag asked if Danette Gleason stated what the Auditor is doing now?

Bob Worley replied no and did not believe there were any audits done internally in many departments as to what the job and duties of the department heads are.

Shag Miller replied the only audit he knows of is the outside audit done by Newland and Company. It is done on an annual basis and they audit the Finance and Budget Department.

Bob Worley replied no and that they do an audit of the entire set of BSB's books but they don't do it entirely. They spot-check it. If they had an internal Auditor that was conducting those audits on a regular basis within the departments, it could possibly reduce the cost of having an audit done by Newland and Company. Bob thought it took around 6 months out of the year to do that. It would reduce the chance of fraud and other things.

Shag Miller asked the Auditor as such, which would be the elected officer, would we want to put the internal Auditor in the Budget and Finance Administration?

Bob Worley replied that it could not go in Budget and Finance. There would be too much of a chance of corrosion.

Shag Miller added that they should keep the Auditor but redefine the job specification and put a requirement on it which they would have to do because the only job

requirement with any of the elected officials or department heads is the County Attorney and Superintendent of Schools.

Bob Worley stated if they leave the Auditor as an elected position. They would have to conform to state law, which has no educational requirements. In other words, if you or I wanted to run for Auditor, we can be elected and become an Auditor for BSB.

Dave Palmer agreed with Danette Gleason when she stated if it was an appointed position, it should be under the jurisdiction of the Council of Commissioners. Dave stated that he totally agrees with that. Dave thought they should give the voters of BSB an option to keep it elected or make it an appointed position with qualifications and that the Auditor would be placed under the jurisdiction of the Council of Commissioners. He would make a motion that they do give the voters a choice. Wayne Harper seconded the motion.

Bob Worley stated that there was a motion and a second on the floor as to whether BSB should have an elected Auditor or appointed Auditor with educational requirements under the jurisdiction of the Council of Commissioners.

Dave Palmer commented that he was not sure if the Council of Commissioners would appoint him/her or the Chief Executive but it would be under the jurisdiction of the Council of Commissioners.

Shag Miller replied that the Chief Executive is the appointing officer. It is approved by the Council of Commissioners.

Bob Worley commented what is important is the job qualifications, the fact that the person is qualified to perform the duties. Bob Worley commented that Shag was right and that it could be appointed by the Chief Executive and approved by the Council of Commissioners.

Shag Miller thought the key in anything is that they go on that ballot, they have to write the language on those issues so there is a narrative in there that they are not yeah or neigh. In other words, do you want an elected or appointed Auditor? Then all of a sudden it is voted that he/she be elected. They would then be back where they started. If they write it the right way, that the Auditor be appointed with educational qualifications and would have to report to the Council of Commissioners then there would be a delineation of what the voters could vote on. That might be acceptable to them.

Bob Worley thought that is something they might want to do with the pamphlet they put before the voters as to why they are proposing the change.

Bob Worley opened the motion for questions.

Cindi Shaw agrees with Shag that it needs to be specified, not just an either/or type of thing. You want the people to know that if they are appointed there are certain

requirements that might make it a better arrangement. Cindi asked what happens to Danette Harrington in the case that it goes to an appointed position?

Northey Tretheway replied that it goes to the next election. It would not be effective until two years from now.

Ristene Hall commented that she feels people want to vote on the elected offices of BSB. When you have an appointed position, it is great if you have an honest Chief Executive that is going to appoint the best and honest person. If you get someone in there who is not honest or they appoint their friend as Auditor then they might as well not have an Auditor. She really thinks the people are going to want to elect their Auditor.

Bob Worley replied that it gives the voters a chance to speak. If they put the option on the ballot and the voters say they want to elect Auditor, it is a done deal. If they want to appoint an Auditor, as far as he is concerned it is a done deal. They were asked to make decisions as a Study Commission and he thinks that is a way to have the decision made. They need to let the people decide which one they want.

Cindi asked who would appoint the person? Bob Worley thought they would put out a job description and applications so people would apply for the job. It would probably be done through Human Resources. They would be screened. Bob commented on how Ristene was afraid of collusion between the Chief Executive and the Auditor. Bob thought if they are hired through HR department and screened. They would be coming from the Chief Executive and approved through the Council of Commissioners. That is why we are electing 12 Council of Commissioners is because you trust those 12 people. Bob stated that we should also trust our Chief Executive and HR department.

Shag Miller commented on the positions of the Civic Center Manager and Community Development Officer. There were six applicants for the Civic Center Manager position and 12 for the Community Development Officer. One was appointed for each position and confirmed by the commissioners. Shag stated that is the standard way of appointing.

Wayne Harper stated that he seconded the motion even though he might be the most vocal in thinking that this community is not going to do away with election of officers. The reason he seconded it is because he thinks the Auditor position, you can ask this community if they want an appointed officer with qualifications or do they want an elected officer that doesn't have to have qualification. Wayne thought they would be giving the voters a choice to vote or not but thought if they clearly delineate that if they elect them, you cannot put requirements on it versus if you appoint them you can. There may be enough people that want an Auditor with an Accounting background.

Dave Palmer agrees with Ristene that it is built in that he/she would work under the Council of Commissioners. Dave gave an example of Helen Walsh, who was appointed by the council and not by the Chief Executive. Dave thought it might be something they could ask Bob McCarthy about; if it could be done the same way. Dave thought either way, any member of the Council of Commissioners would vote to have an appointed

Auditor with the qualifications and would be working for the council versus an elected one.

Bob would think an Auditor with qualifications would be a real asset to the Council of Commissioners.

Wayne Harper explained to Shag only the elected could not have requirements.

Tony Bonney mentioned the previous discussion where it would be a department head that is eligible for the contract. If you had a bad one, after four years the contract would be up under that Chief Executive or for however long that Chief Executive was there with the option to renew it.

Shag Miller replied under a contract, the contracts might not coincide with the term of the Chief Executive.

Tony Bonney replied that it would not be lifetime appointment.

Shag commented that it would be like City Managers.

Bob Worley did not think they needed to write that into anything that an Auditor would be appointed and hired by contract but it could be recommended to the Council of Commissioners to do it that way.

Shag Miller replied that they would have to decide if they did want to put in a contract provision for non-elected department heads.

Bob Worley stated that there was a motion and a second on the floor that they put it on the ballot for the elector of BSB to determine if they want an elected or appointed Auditor with qualifications that would serve under the Council of Commissioners.

All were in favor with the exception of Ristene Hall who opposed. The motion carried and it will go on the ballot.

Bob Worley moved forward to the second topic, which was the Superintendent of Schools. He stated that he tried to contact J.R. but he is gone until next Tuesday.

Dave Palmer stated his question last week was how could the previous Study Commission put it on the ballot to eliminate the County Superintendent of Schools when it is required by state law? Their question was to make part-time or full-time. They were not going to eliminate it. Dave believed that state law requires that you have to have a County Superintendent of Schools.

Bob Worley asked if it had to do with the population?

Wayne Harper replied no and that every county needs one. Wayne stated that most of them are part-time.

Bob Worley mentioned in today's newspaper, BSB County Superintendent of Schools is involved in a deal right now out in Divide. They have a couple of teachers over there that the board has recommend that they not be rehired. There are nine students in Divide and they have a budget of around \$85,000.00-\$86,000.00. Those teachers are making around \$25,000 a year. That is part of the Superintendent's responsibilities to take care of that.

Bob Worley asked if they want to leave that alone or submit it to the voters?

Shag Miller thought the part-time/full-time is a mute question. Shag stated it is just a matter of saving a few dollars. It is not the function or anything else like that. He frankly thought seriously to roll the whole thing into School District 1 and let them get the benefit of the money (\$86,000.00). Shag stated that Chuck Uggetti could run the whole thing for the three schools.

Bob Worley replied that he does not know what it would save. Bob thought it might be a little over \$100,000.00. Bob again stated that he does not know how much it will save.

Dave Palmer did not think it would get passed this time.

Shag Miller mentioned how the outlying communities feel left out.

Cindi Shaw agreed with Dave Palmer and Shag Miller and stated unless they can show clear advantages, she does not think that should be put before the voters. It does not state the advantages as clear as the Auditor position.

Tony did not think the savings would be enough to justify it.

Bob Worley commented that they have three positions that they are trying to fund and everyone wants to know where the money is going to come from.

Bob Worley made reference to Section 5.05.

Bob Worley stated that it was suggested that Sheriff was outdated.

Bob Worley thought they should put it off for week and take a look at it next week.

Bob Worley commented 7.04 Land Records System they have taken out under the Clerk and Record.

Bob Worley commented that apportionment was one of the things that he was talking about in Sections 3.02 (c) and 9.03. Ken Weaver recommended they leave Section 9.03 (a) in the Charter. Ken thought six months is too short to do that.



Wayne Harper commented that State Law says you have to do that and that is why they decided to take it out.

Bob Worley discussed some of Ken Weaver's comments regarding the proposal of language in that section. Ken does not know what is meant by "time-phase" and suggested they report on an annual basis versus quarterly as stated in the proposed language.

Shag Miller stated that Charlie made a statement that it was management style where Paul keeps him updated on things where Judy did not.

Shag Miller replied it has too much detail and stated that counties and governments work from budget books. Shag Miller suggested they have Jeff Amerman write that section.

Dave replied that he feels they should leave it as is. They have spent a lot of time on it and the majority voted on it.

Northey Tretheway commented on the budget booklet of Great Falls. Northey stated that they could have Jeff Amerman review it and write in the language for that Section.

Bob Worley stated that he could meet with Jeff Amerman and see if he would write the language. Bob Worley asked the Study Commission members how far they wanted Jeff to write that section.

Northey Tretheway had asked if Ken Weaver stated anything on the language "at the pleasure of".

Bob Worley commented that they are going to use a lot more money and would like to spend that money before June 30<sup>th</sup>.

Bob stated that they have to be in the Finance and Budget Department by July 7<sup>th</sup>.

Bob Worley stated that he has already budgeted for 2006-2007.

Bob Worley stated that he does not mind a second opinion. Bob Worley thought if Ken Weaver could help them in writing some of the language in the charter, the \$500.00 would be pretty well spent.

Meg moved that they accept Ken Weaver's offer to come and meet with them for two meetings. Northey Tretheway seconded the motion with an agenda and having Bob McCarthy present.

Bob Worley asked what everyone's schedule was.

Meg Sharp commented that Ken Weaver does not like to drive in the dark.

Wayne Harper thought 5:30 p.m. until 8:00 p.m. and then they would be guaranteed 2 ½ hours. Wayne stated they could also start at 5:00 p.m.

It was decided that they would hold the meeting at 5:00 p.m.

Northey commented that they would have to match it up with Bob McCarthy's schedule.

Bob Worley asked if it would all right to hold it on a regular meeting night and it was decided that they would hold it on Thursday.

Shag stated that he would contact Bob McCarthy.

Bob Worley stated there is a motion and second on the floor to hire Ken Weaver to attend two meetings and assist in writing the language on the charter.

Bob Worley explained that Ken wants to sit down with them and see what their intentions are in the way they have written things and why. He will take that back home, go through and reword the charter or whatever has to be done to it. He would then come back to attend a second meeting with them.

Dave Palmer stated that he would like to have the first meeting as soon as possible.

Bob Worley asked if everyone would agree to schedule the first meeting on June 1, 2006.

Bob Worley asked all in favor of the motion. All were in favor with the exception of Wayne Harper, who opposed and the motion carried.

Bob Worley asked if they wanted to hold it at 5:00 p.m. and tell Ken Weaver they would like to have at least three hours of his time?

Dave Palmer replied that is contingent on him coming the first part of June. If he cannot make it then he is against Ken Weaver coming.

Wayne Harper moved and Meg seconded.